Government nominee directors specially of IFCI and IDBI nominee and if so, the outcome thereof; and

(c) whether Government have warned them for involving themselves in the dispute and if so, when and with what results?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) It is not the Government but financial institutions who appoint nominee directors on the Boards of assisted companies. Industrial Development Bank of India (IDBI) has reported that nominee directors of financial institutions are not personally involved in the affairs pertaining to disputes in ITC Ltd.

(b) No, Sir.

(c) Does not arise.

Import of Silk Yarn

2100. SHRI IQBAL SINGH: Will the Minister of TEXTILES be pleased to state:

(a) the total quantity of silk yarn imported to meet the demand of the weavers in the country during the last two years;

(b) the amount of foreign exchange spent by Government thereon;

(c) the total quantity of silk yarn likely to be imported during 1995-96; and

(d) the amount of foreign exchange likely to be spent thereon?

THE MINISTER OF TEXTILES (SHIR G. VENKAT SWAMY): (a) to (d) As a matter of policy, the Government allows limited imports of raw silk for domestic purposes only in the case of exigencies of short supplies and/or abnormal increase in prices of raw silk in the local markets. No such imports have been allowed by the Government during the last two years and at present there is no proposal to allow any such imports of raw silk during 1995-96.

Few Takers for I.T. Property Auction

2101. SHRI YERRA NARAYANASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news item which appeared in "Financial Express" dated 30th July, 1995 captioned "Few takers for I.T. property auction";

(b) if so, what are the reasons for low off-take of such property;

(c) whether any alternate system would be formulated; and

(d) if so, details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir.

(b) Some properties put up for public auction by the Income-tax Department remain unsold due to local market conditions and various other reasons;

(c) and (d) The properties which remain unsold in atleast 3 public auctions are put up for sale by inviting sealed tenders. For properties remaining unsold even after inviting sealed tenders, the Chief Commissioners may enter into direct negotiations with public sector undertakings and State Governments/ Central Government Departments for their sale.

Income Tax on Income Derived from Advertisements

2102. SHRI SATISH AGARWAL: Will the Minister of Finance be pleased to state:

(a) whether it is a fact that income derived from advertisements in convertible foreign curency were allowed to be eligible for deduction under section BDHHC of the Income-tax Act;

(b) whether the said deduction is not being allowed now to trade journals and periodicals; if so, the reasons therefor; and

(c) whether Government reconsiders the desirability of treating of such income as part of exports?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHI): (a) and (b) Under Section 80 HHC of Income-tax Act, 1961 the profits derived from the export out of India of any goods of merchandise specified in the said section are eligible for deduction if the sale proceeds of such goods or merchandise are received in or brought into India in convertible foreign exchange. The deduction is subject to the satisfaction of other conditions specified in the section. The advertisements in any media are not goods or merchandise exported out of India and therefore are not aligible for deduction u/s 80HHC.

(c) Presently there is no such proposal under consideration of the Government.

Finance Minister's Visit to Germany

2103. DR. GOPALRAO VITHALRAO PATIL: Will the Minister of FINANCE be pleased to State

(a) whether Finance Minister has visited Germany in recent past;

(b) if so, details thereof with names of other who participated in this foreign tour;

(c) whether some agreements have been signed during this visit between two countries;

(d) if so, details thereof;

(e) what amount has been spent on this foreign our by Indian delegation;

(f) whether this visit will benefit the country in any way; and

(g) if so, details thereof and if not, reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Yes, Sir. The Finance Minister accompanied by officials of the Ministry of Finance viz. Shri N.K. Singh, the then Additional Secretary (EF), Smt. Sumati Mehta, Director (EEC), Smt. Neelam Kapoor, Director (Public relations) and Shri N.K. Jain, Private Secretary to Finance Minister had visited Germany from 18th to 21st June, 1995.

(c) and (d) During the Finance Minister's visit following agreements were signed:

(i) Financial Cooperation Agreement 1995: Under this agreement, Government of Federal Republic of Germany (FRG) has agreed to provide a financial assistance of DM 366.6 million to Government of India for mutually agreed? projects/ programme.

(ii) Bilateral Investment Protection Agreement: The agreement seeks to promote and protect investment from either country into the other.

(iii) The Agreement for Avoidance of Double Taxation with respect to taxes on income and capital: The agreement provides for reduced rates of taxation on income from dividents, interest, royalties and fees for technical services. The agreement also provides for the exchange of information between the two countries for mutual procedure for solving the tax problems.

(iv) Supplemental Agreement for Rural Water Supply, Rajasthan: Under the agreement Government of FRG would provide an additional amount of DM 40 million as grant, thus making their total countribution for the project to DM 135 million for a German assisted ongoing rural water supply project in Rajasthan.

(v) Energy Investment Programme: Under this agreement FRG would provide an amount of DM 46.5 million to Power Finance Corporation for rehabilitation of Power Plants & Distribution Systems.